

## **CALIFORNIA FRANCHISE TAX BOARD**

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### **3000 CONFIDENTIALITY AND DISCLOSURE**

Provisions prohibiting the disclosure of confidential information help us administer the income tax laws by encouraging taxpayers to make full and truthful information disclosure, without fearing that we will give the information to other parties or use it against them.

You must keep this data confidential. Failing to do so could subject you to disciplinary proceedings, loss of employment, and criminal penalties.

The Audit Division Disclosure webpage is at <http://auditnet/issues/disclosure/>

GTAM 3100	CONFIDENTIAL INFORMATION DEFINED
GTAM 3110	NEED TO KNOW / RIGHT TO KNOW
GTAM 3200	UNAUTHORIZED DISCLOSURE OF STATE INFORMATION
GTAM 3300	AUTHORIZED DISCLOSURE OF INFORMATION
GTAM 3320	DISCLOSURE GUIDELINES – CORPORATIONS

Reviewed: April 2003

**The information provided in the Franchise Tax Board's internal procedure manuals does not reflect changes in law, regulations, notices, decisions, or administrative procedures that may have been adopted since the manual was last updated**

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### **3100 CONFIDENTIAL INFORMATION DEFINED**

Confidential information is defined as any item of information that is:

- Submitted to, or developed within, our organization to administer its program responsibilities, and
- Is not specifically made public information by statute.

Confidential information generally includes federal and state tax return information. We do not have authority to use these records and information for any purpose not specified by law.

Reviewed: April 2003

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### 3110 NEED TO KNOW / RIGHT TO KNOW

*“Need to know”* is the need to see information in order to perform official responsibilities. Always question the “need to know” if an employee’s information request is unusual.

*“Right to know”* is the right to get information because of statute, court order, or decisional law. Individuals also have the right to submit evidence to correct and complete records.

Reviewed: April 2003

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### **3200 UNAUTHORIZED DISCLOSURE OF STATE INFORMATION**

Under CR&TC section 19542, any unwarranted disclosure or use of tax return information, or any willful unauthorized inspection of tax return information, is punishable as a misdemeanor. "Inspection" is defined to mean any examination of confidential information.

The FTB must notify the affected taxpayer of the unwarranted disclosure or use of a tax return, or any unauthorized inspection of a tax return, if certain criminal charges are filed for the offense. We must also notify the affected taxpayer when unauthorized persons acquire their computerized personal information. The consequences of violating these rules can be severe, including dismissal, criminal prosecution, and being personally sued by the taxpayer.

The taxpayer notification provisions are the same for federal and state. State employees are subject to the federal law provisions regarding unwarranted disclosure or use of federal tax information, or any willful unauthorized inspection of federal tax information we receive from the Internal Revenue Service. Clearly identify the source whenever any file contains information we have obtained outside our offices.

GTAM 3210	UNAX - Taxpayer Browsing Protection Act
GTAM 3220	Internet Mail
GTAM 3230	Outlook Email to Request Returns or Audit Files
GTAM 3240	Traveling With Confidential Taxpayer Information

Reviewed: April 2003

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### 3210 UNAX - Taxpayer Browsing Protection Act

The *Taxpayer Browsing Protection Act* makes unauthorized inspection (or browsing) of federal taxpayer information a felony. The penalty for unauthorized browsing is, "...a fine in an amount not exceeding \$5,000, or imprisonment of not more than five years, or both, together with the costs of prosecution." The provisions extend the prohibition to state employees with access to federal information.

Effective January 1, 1999, CR&TC section 19542.1 made punishable as a misdemeanor:

- Unwarranted disclosure or use of tax return information.
- Willful unauthorized inspection of tax return information.

We must notify the affected taxpayer of the unwarranted disclosure if certain criminal charges are filed for the offense.

"Inspection" means any examination of confidential information. IRC section 7431 and 6103 have comparable provisions, but these offenses are punishable as a misdemeanor or a felony.

UNAX requires concealment of all confidential taxpayer data (including Revenue Agent Reports, 6227 requests) at all times, from everyone, except those working on the case.

- Do not place these documents in in-baskets or leave them on desks unless covered or turned over.
- Cover or turn over all confidential information when another person enters your workstation.
- Turn over, cover, or put away taxpayer documents if you leave your desk.
- Place all confidential data in drawers, boxes, or shelving that conceals taxpayer identity when you leave the office.

The law says *to view taxpayer data where you have no need to know is unauthorized disclosure.*

Reviewed: April 2003

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### 3220 Internet Mail

*Unless you are using Secure Electronic Communications (SEC), do not exchange confidential information with a taxpayer or representative by Internet email under any circumstances. We cannot ensure the security and confidentiality of the information, because Internet email is processed through private service providers and transmitted through unsecured lines. Do not use Internet email during an audit even if the taxpayer offers to waive all rights to confidentiality.*

You may review the data if a taxpayer or representative sends confidential information via Internet email. However, if the taxpayer or representative requests receipt of emailed correspondence, do not acknowledge receipt via email. Call the taxpayer or representative to acknowledge receipt of emailed correspondence.

Do not confirm an audit appointment via Internet email, even if requested by a taxpayer or representative. You risk making an unauthorized disclosure because email is transmitted through unsecured lines.

#### SUMMARY

- Do not exchange confidential information with a taxpayer or representative by Internet email under any circumstance.
- Do not use the Internet unless you are an authorized employee who has completed the *Internet Service Application* (Form FTB 6614) and attended Internet training.
- Do not use the Internet through standalone PASS laptops (laptops not connected to the PASS network).
- Do not use the Internet through Franchise Tax Board owned equipment using your personal account at any time.

Reviewed: November 2004

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### **3225 Secure Electronic Communications (SEC)**

**SEC is a method where we can securely use the internet to communicate confidential information with taxpayers. Additional information is available at:**

Secure Electronic Communications (SEC) Home Page

Reviewed: November 2004

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### 3230 Outlook Email to Request Returns or Audit Files

If you need to request tax returns or the audit file, see GTAM 4410.

Use Outlook email to request assistance in locating tax returns or the audit file **ONLY** if DSSS cannot locate the requested information. However, you must **limit** your search to areas where there is a reasonable probability for finding the returns or audit file.

For example, if you are in the S Corporation program and you need a shareholder tax return, first send an email notice to "S Corp Audit Staff and PIT Auditors." If unsuccessful, extend your search to include other GTA Program email addresses. Do not send an email to "All Audit Users". "All Audit Users" includes the entire branch (i.e., ABTS, MSA and GTA). Use discretion when choosing email addresses.

Reviewed: April 2003



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### 3240 Traveling With Confidential Taxpayer Information

Many auditors carry-on or check-in audit bags at airports. These may contain tax returns and audit workpapers. Currently, 100% of checked and carry-on baggage is screened at commercial airports throughout the United States. The screening process may be done at a location away from you. NOTE: Airport security procedures are subject to change depending on the National Security Alert level.

Transportation Security Administration (TSA) guidelines for checking baggage at airports say to leave checked baggage unlocked. This raises a concern because audit bags may include taxpayer confidential information.

If you are traveling through airports with confidential tax information:

- Cover the face of all returns and workpapers with a piece of blank paper or cardboard so that the name and other confidential taxpayer information are not readily visible during security checks.
- Spread out your books and documents in your audit bags. This may reduce Otherwise, the likelihood that TSA will examine your bag. may believe your bag contains bombs or explosives.

If checked baggage is screened during the check-in process:

- Keep your audit bags unlocked during the physical screening process.
- Secure or lock the audit bag upon completion of the physical screening process.

If your checked bag is not screened during the check-in process:

- Keep the audit bag unlocked. Otherwise, the screener will break the lock.
- If your baggage is opened, the screeners will secure it with a tamper evident seal and place a notice in your bag alerting you that they opened your bag for inspection.

If you believe there was an unauthorized disclosure as a result of the screening process, contact your supervisor or the Disclosure Unit immediately.

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### 3300 AUTHORIZED DISCLOSURE OF INFORMATION

We disclose non-proprietary information after completing the audit investigation. This practice generally conforms to the provisions of the Information Practices Act, which mandates disclosing information to individual taxpayers (California Civil Code section 1798.30-1798.44). We assert that the audit investigation is not complete until the review process is complete.

Taxpayers and their authorized representatives can receive copies of their audit files *once the audit review process is completed*. Sometimes, we issue Notices of Proposed Assessment before the review to protect the statute of limitations. Still, we will not disclose the audit file to the taxpayer until the Review process is complete. We charge \$.10 per page for copies of completed audit files.

The "audit file" includes:

- The Narrative Report.
- The Event Log.
- All workpapers, and supporting material.

In general, taxpayers may not see any document, or portion of a document, that discloses:

- Proprietary systems information (e.g., PFK indicators and system access codes).
- Other proprietary information.
- Audit selection standards.
- Information from or about informants.

(See GTAM 3320, *Disclosure Guidelines – Corporations*; and see GTAM 3340, *Disclosure Guidelines – Partnerships*, for specific business entity disclosure information)

The *IRS/FTB Exchange of Information Agreement* prohibits disclosing information from the IRS to anyone other than the taxpayer or authorized representative. We cannot provide other states with copies of information we receive from the IRS.

We may disclose information from or about a taxpayer's affiliate to the taxpayer or authorized representative if it is relevant to determining the taxpayer's franchise/income tax liability (see GTAM 3310, *Judicial or Administrative Tax Proceedings*).

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If the Protest Unit handled the case, taxpayers and authorized representatives may obtain copies of the protest file. In general, we must disclose the protest hearing officer's reports and all workpapers and supporting material.

Fully explain the above guidelines if taxpayers request copies of their audit files before the case has passed review.

Remember: before disclosing any information, *contact the Disclosure Unit* for approval.

GTAM 3310          Judicial or Administrative Tax Proceedings

Reviewed: April 2003

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### **3310 Judicial or Administrative Tax Proceedings**

We may disclose return or return information in a judicial or administrative proceeding pertaining to tax administration, if certain criteria apply (CR&TC section 19545). Administrative proceedings include audits, protest hearings, and collection actions. We may disclose information to taxpayers if:

- The proceeding relates to determining or collecting their tax liability.
- The treatment of an item on the return directly relates to resolving an issue in the proceeding.
- The information directly relates to a transactional relationship between them and a person who is a party to the proceeding, and directly affects how an issue will be resolved.

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### 3320 DISCLOSURE GUIDELINES – CORPORATIONS

The Corporation Tax Law is quite specific about disclosure of business activities information for corporate taxpayers.

We can disclose (CR&TC section 19543):

- Corporate title.
- Corporate number.
- Date of commencement of business in this state.
- Taxable year adopted.
- Filing date of return.
- Name, date, and title of individuals signing affidavit to return.
- Due date of taxes.
- Total amounts of unpaid balances (tax, penalty, interest and fees). This may be broken down on an annual basis."
- Entity address.
- Private address of officers and directors, *if that information is on the tax return or the Secretary of State file.*

Corporate taxpayers and their authorized representatives may obtain copies of their audit files once the GTA Technical Resource Unit completes its review. We disclose non-proprietary information to corporate taxpayers when the audit investigation is complete before the discovery process in Superior Court litigation, although no statute requires it. This practice generally conforms to the provisions of the Information Practices Act, which mandates disclosing information to individual taxpayers (California Civil Code section 1798.30-1798.44). *The department asserts the audit investigation is not complete until the review process is complete.*

The "audit file" includes:

- Narrative Report.
- Event Log.
- All workpapers, and supporting material.

Corporate taxpayers may not see any document, or portion of a document, such as:

- Our analysis of the strengths and weaknesses of the proposed assessment .

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- Proprietary systems information.
- Other proprietary information.
- Audit selection standards.
- Information from or about informants.

Before releasing any of the above information, contact the Disclosure Unit for approval.

At times, an audit or protest file contains non-affiliated taxpayer information used as reference material. The information is pertinent to the analysis and determinations being made in the present audit or protest. Taxpayers or their representatives often ask for copies of their audit or protest files. To avoid an inadvertent disclosure of another taxpayer's information, this information should be included in the audit or protest file as an exhibit. It should be clearly identified, using red ink or red pencil: "CONFIDENTIAL TAXPAYER INFORMATION." This will help ensure that taxpayer information is not inadvertently disclosed.

GTAM 3321	Corporations – Shareholder Access to Records
GTAM 3322	Information on Individual Shareholder Returns
GTAM 3323	Group Return of Nonresident Shareholders

Reviewed: November 2004

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### 3321 Corporations – Shareholder Access to Records

The shareholder's access to information depends upon whether the shareholder is an officer or director of the corporation. *The shareholder's stock ownership percentage is not a factor* in determining what you can release to the shareholder.

#### Officer/Director

A shareholder who is an officer or director of a corporation is entitled to most information we maintain on the corporation, including:

- The corporate return and all supporting schedules, including all Schedule K-1s filed with the return.
- Most other records we have that pertain to the corporation. These records include a printout, or transcript, of the corporate account and most of the audit report, including the narrative report, workpapers, letters, and supporting documents. (See GTAM 3300, *Authorized Disclosure of Information*).
- Information directly relating to the resolution of tax issues in a judicial or administrative proceeding. (See GTAM 3310, *Judicial or Administrative Tax Proceedings*).

The Disclosure Office must review the records for any information exempt from disclosure, including proprietary information and informants' identities prior to releasing the information.

We do not release copies of the audit report until after we have closed the examination and issued an assessment, refund, or no-change letter. See GTAM 3300, *Authorized Disclosure of Information*.

**NOTE:** Usually, shareholders owning 100% of a corporation's stock are officers or directors of the corporation. However, a *100% shareholder might not be an officer or director of the corporation*. Regardless of percentage of stock ownership, the above disclosure guidelines apply only to shareholders who are officers or directors of the corporation and the corporation's authorized representative.

#### Other Shareholders

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Shareholders who are not corporate officers or directors may have access to the following limited information:

- The Schedule K-1 that pertains to them. Shareholders cannot access a copy of the corporate return, nor any of the Schedule K-1s relating to the other shareholders.
- The portion of the audit report pertaining to the adjustment passed through to them. (See GTAM 3300, *Authorized Disclosure of Information*).
- The amount of the adjustment allocated to them. The shareholder may not access the amount of the adjustment allocated to any of the other shareholders.
- Information that directly relates to the resolution of tax issues in a judicial or administrative proceeding. (See GTAM 3310, *Judicial or Administrative Tax Proceedings*).

Before we can release the records, the Disclosure Office reviews them for any information exempt from disclosure or that the shareholder may not access. (See GTAM 3300, *Authorized Disclosure of Information*, for a description of the information exempt from disclosure and our practice concerning the release of audit and hearing officer reports.)

**NOTE:** Under CR&TC section 19545, the transactional relationship criteria would apply more often to shareholders who are not officers or directors of an S Corporation. For example, if we revise the Accumulated Adjustments Account and the adjustment passes through to the shareholder, the shareholder may receive a copy of the Account that was filed with the corporate return. This information has a direct transactional relationship to the adjustment on the shareholder's individual return.

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### **3322 Information on Individual Shareholder Returns**

We cannot disclose information on a shareholder's tax return to the corporation or the other shareholders.

Reviewed: April 2003

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### **3323 Group Return of Nonresident Shareholders**

CR&TC section 23810 provides that certain nonresident shareholders may file a group nonresident return on Form 540NR. Each shareholder included in the filing group is entitled to the following information:

- Form 540NR (side 1 and 2).
- Schedules attached to the Form 540NR, showing the computation and apportionment of California source income, losses, deductions, and credits.
- Parts of any schedule attached to the Form 540NR that show the shareholder's distributive share of the corporate and California source income, losses, deductions, credits, and the computation of tax on the shareholder's distributive share.

We cannot disclose any information to an individual shareholder that shows other shareholders' allocation of corporate and California source income or tax computations.

Reviewed: April 2003

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### 3330 DISCLOSURE GUIDELINES - INDIVIDUALS

If requested by the individual taxpayer, we can disclose the following information:

- Closed audit reports
- Copies of tax returns
- Account transcripts
- Collection progress reports
- Closed investigation reports
- Information from outside sources (IRS, DMV, and Board of Equalization).

**NOTE:** We cannot disclose some IRS information, such as IRS IMF and BMF transcripts, "*Protestor*" or "*Investigation*" codes.

Individual taxpayers and their authorized representatives can receive copies of their audit files *once the Review process is completed*. Sometimes, we issue Notices of Proposed Assessment before reviewing the case to protect the statute of limitations. We do not disclose the audit file to the taxpayer until the Review process is complete. We disclose non-proprietary information when the audit investigation is complete. The audit is not complete until the review is complete. Our practice generally conforms to the provisions of the Information Practices Act, which mandates the disclosure of information to individual taxpayers (California Civil Code section 1798.30-1798.44).

The "audit file" includes:

- The Narrative Report
- The Event Log
- All workpapers, and supporting material.

Individual taxpayers may not see any document, or portion of a document, that discloses:

- Proprietary systems information
- Other proprietary information
- Audit selection standards
- Information from or about informants.

All requests should be in writing. Under most circumstances, authorized representatives should provide a power of attorney from the taxpayer.

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Remember: before disclosing any information, *contact the Disclosure Unit* for approval.

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### 3340 DISCLOSURE GUIDELINES - PARTNERSHIPS

Partnerships and their authorized representatives may obtain copies of their audit files once the Review process is completed. We disclose non-proprietary information to a partnership when the audit investigation is complete before the discovery process in Superior Court litigation, although no statute requires it. This practice generally conforms to the provisions of the Information Practices Act, which mandates disclosing information to individual taxpayers (California Civil Code section 1798.30-1798.44). *The department asserts that the audit investigation is not complete until the review process is complete.*

The type of partnership concerned determines to whom you may disclose information.

#### General Partnership

A general partnership has the following characteristics:

- Two or more partners
- The partners function as one for the management of the partnership
- All partners are liable for the partnership's total debts

General partnerships are not required to file with the Secretary of State or pay a minimum tax. General partnerships are subject to the personal income tax disclosure provisions (see GTAM 3330, *Disclosure Guidelines – Individuals*). All our information for a general partnership is confidential, and cannot be released to the public.

#### Limited Partnership

Generally, a limited partnership has the following characteristics:

- Two or more partners with at least one general partner and one limited partner.
- General partners manage the partnership's daily business activities and each general partner is individually liable for the partnership's total debt.
- Limited partners do not share in the management of the partnership and each partner's liability is limited to the amount that they have invested in the partnership.

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Limited partnerships register with the Secretary of State. Those doing business in California must pay a minimum tax under the provisions of CR&TC section 23081.

### Other Entities

Other types of entities, such as Limited Liability Companies and Real Estate Mortgage Investment Conduits, may elect treatment as a partnership for tax purposes. Generally, these entities have more characteristics in common with limited partnerships than with general partnerships. You should apply the disclosure guidelines on limited partnerships to these entities. (See GTAM 3344, *Limited Partnerships – Public Information*).

Investors in Limited Liability Companies and Real Estate Mortgage Investment Conduits may be known as members or owners rather than "partners." Members or owners have some of the same characteristics as a general or limited partner. Consider whether the investors manage the entity's business and if they have liability for the entity's debts.

**NOTE:** If you have reviewed the general disclosure rules and you cannot decide if you should disclose the information, then *do not disclose the information*. Tell the partner or representative you are not sure if you can provide the requested information, and that you will call back to confirm your findings. Discuss the issue with your supervisor and, if necessary, contact the Disclosure Office.

GTAM 3341	General Partnerships – Partner Access to Records
GTAM 3342	Limited Partnerships – Partner Access to Records
GTAM 3343	Regular Partnerships – Public Information
GTAM 3344	Limited Partnerships – Public Information
GTAM 3345	Information on Individual Partner Returns
GTAM 3346	Group Return of Nonresident Partners

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### 3341 General Partnerships – Partner Access to Records

The partnership's authorized representative and all partners are entitled to most information that we maintain on the partnership, including:

- The complete partnership return and all supporting schedules, including all Schedule K-1s filed with the return.
- Most of our other records pertaining to the partnership, including a printout, or transcript, of the partnership account and most of the audit report (narrative report, workpapers, letters, and supporting documents).
- Information that directly relates to the resolution of tax issues in a judicial or administrative proceeding. (See GTAM 3310, *Judicial or Administrative Tax Proceedings*, for additional information.)

See GTAM 3300, *Authorized Disclosure of Information*, for additional information.

Before we can release the records, the Disclosure Office must review them for any information exempt from disclosure.

Reviewed: April 2003

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### 3342 Limited Partnerships – Partner Access to Records

A partner's access to information depends on whether the partner is a general partner or a limited partner.

The authorized representative of the partnership and the general partners are entitled access to the same information as those of a regular partnership (see GTAM 3341, *Regular Partnerships – Partners Access to Records*).

The limited partners of the partnership are entitled access to the following limited information:

- The partnership return, including supporting schedules, with the *exception* of the Schedule K-1s. Limited partners are entitled to see only a copy of the Schedule K-1 pertaining to them. We do not allow limited partners any access to the Schedule K-1s pertaining to the other partners.
- The printout or transcript of the partnership account and the portion of the audit report (narrative, workpapers, letters, and supporting documents) pertaining **only** to the adjustment passed through to them. (See GTAM 3300, *Authorized Disclosure of Information*, for additional information.)
- The amount of adjustment allocated to them. Limited partners **cannot see** the amount of the adjustment allocated to any of the other partners.
- Information that directly relates to the resolution of tax issues in a judicial or administrative proceeding. See GTAM 3310, *Judicial or Administrative Tax Proceedings*.

Before we can release the records, the Disclosure Office must review them for any information exempt from disclosure or that the limited partner can not see. (See GTAM 3341, *Regular Partnerships – Partners Access to Records*)

Reviewed: April 2003



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### **3343 Regular Partnerships – Public Information**

Regular partnerships are subject to the personal income tax disclosure provisions (see GTAM 3330, *Disclosure Guidelines – Individuals*). All of our information on the regular partnership is confidential, and *cannot* be released to the public.

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### 3344 Limited Partnerships – Public Information

We can disclose the following information on limited partnerships to the public:

- Partnership name and address
- Date of registration with the Secretary of State
- Tax year adopted
- Due date of the partnership return
- Whether a return was filed
- Filing date of the partnership return
- Total unpaid amount (including tax, penalty, and interest) for each tax year, without a breakdown
- Status of the partnership (e.g., terminated or Secretary of State registration withdrawn)
- Name, date signed, and title of the person who signed the return
- Industry code

**NOTE:** *Names and addresses of the partners are not public information.*

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### **3345 Information on Individual Partner Returns**

We cannot disclose information on a partner's tax return to the partnership or the other partners, regardless of the type of partnership or type of partner.

Reviewed: April 2003

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### 3346 Group Return of Nonresident Partners

CR&TC section 18535 says that certain nonresident partners and Limited Liability Company members may file a group nonresident return on Form 540NR. Each partner or member in the filing group is entitled to the following information:

- Form 540NR (side 1 and 2).
- Schedules attached to the Form 540NR, showing the computation and apportionment of California source income, losses, deductions, and credits.
- Parts of any schedule attached to the Form 540NR that show the partner's distributive share of the partnership and California source income, losses, deductions, credits, and the computation of tax on the partner's distributive share.

We cannot disclose any information to a partner or member about the other partners' allocation of partnership and California source income or tax computations.

**NOTE:** If you have reviewed the general disclosure rules and you cannot decide if you should disclose the information, then *do not disclose it*. Tell the shareholder or representative that you are not sure if you can provide the requested information, and that you will call back to confirm your findings. Discuss the issue with your supervisor and, if necessary, contact the Disclosure Office.

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### 3400 OFF-SITE SECURITY CONSIDERATIONS

We must exercise due diligence to protect the confidentiality of all information by restricting use of PASS PC equipment and the PASS system. Use these guidelines to protect the security of all confidential information. Use extra caution when appropriate.

- Do not leave the PC on and unattended.
- Do not let family members or friends access the laptop, tax return, and other case-related information while you are telecommuting.
- Do not leave the PC or audit records in an unsecured location such as a vehicle.
- Do not leave the PC unattended while connected to the system, or when using the PC to work offline.
- Physically secure the PC to reduce the risk of theft.
- Physically secure any diskettes that contain confidential information.
- Use the screen-saver password feature when using your PC.

GTAM 3410      Passwords  
GTAM 3420      PASS Authorization Setup

Reviewed: April 2003

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### **3410 Passwords**

To protect the confidentiality of taxpayer information, all network and mainframe systems are password protected. You should also use the screen-saver password feature. These password features help us to protect confidential taxpayer information and proprietary information.

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### **3420 PASS Authorization Setup**

We grant different authorization levels based upon the roles of audit staff. A PASS user can have a primary role (e.g., auditor), temporary role (e.g., team member), or other authorization level.

Reviewed: April 2003

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### 3500 DESTRUCTION OF CONFIDENTIAL INFORMATION

Place all paper waste items containing confidential taxpayer information into confidential destruction boxes or shred them.

Return confidential material obtained in the field to our office for proper destruction.

The Department of General Services will destroy floppy disks and CDs containing confidential information or outdated commercial software. Please send your outdated floppy disks/CDs in a secure package *without any external reference to confidential data* contained therein to:

#### Program Offices

Mail:

Audit Technology & Support Bureau  
Attention: Audit Asset Management Team - Mail Stop D-5  
PO Box 1998  
Rancho Cordova, CA 95741

Route Slip:

Audit Asset Management Team  
Mail Stop D-5

#### Central Office

Route Slip:

Audit Asset Management Team  
Mail Stop - D-5

Hand Carry:

Audit Asset Management Team – Coordinates F5/2

Reviewed: April 2003

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### **3600 OUTSIDE REQUESTS FOR INFORMATION**

CR&TC section 19542-19564, permits disclosing limited information to the individual taxpayer, authorized taxpayer representatives, Legislative Committees, authorized personnel of the IRS, and tax officials of this state and of other states that impose income taxes.

We do not give income tax returns or related information to Political Reform Audit Program personnel to perform political reform audits and reports!

GTAM 3610	Taxpayer Request for Copy of Tax Return
GTAM 3620	Federal Tax Return Information

Reviewed: April 2003

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### **3610 Taxpayer Request for Copy of Tax Return**

We will provide a copy of personal income tax and business entity tax returns filed by the taxpayer, upon request. We charge \$20, in advance, per tax year for the copies.

Taxpayers should send their request and payment to:

RID Unit MS C-2  
Franchise Tax Board  
PO Box 1468  
Sacramento CA 95812-1468

We waive the fees if:

- Taxpayer states they are the victim of a designated California or federal disaster.
- Taxpayer request copies from a district office where we assisted them in completing their return.
- The auditor provides a copy during an audit in order expedite the audit's completion.

Auditors should not be receiving payment for copies of tax returns. These requests should be handled by the RID Unit.

See GTAM 3300, *Authorized Disclosure of Information*, if a taxpayer requests copies of our audit workpapers.

Reviewed: November 2004

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### **3620 Federal Tax Return Information**

Authority to inspect a state tax return does not necessarily imply authority to inspect tax information received from the Internal Revenue Service. Internal Revenue Code section 7213(a)(2) makes the unauthorized disclosure of IRS data by state employees a felony. IRC section 7217 also subjects state employees to civil damages.

We must use additional information security measures when we receive any document containing confidential Federal Tax Information directly from the IRS. This includes items such as copies of returns, files, documents, letters, RAR's and "no record" responses. If the IRS source data becomes part of an audit file, stamp (in red ink) the face of the document "CONFIDENTIAL IRS INFORMATION" and stamp the cover of the audit file "FILE CONTAINS CONFIDENTIAL IRS INFORMATION."

If you have any questions, please contact your supervisor

Reviewed: April 2003

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## **3700 WORKLISTS**

GTAM 3710	Individual Worklist
GTAM 3720	Group Worklist

Reviewed: April 2003

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### **3710 Individual Worklist**

The individual worklist lists of all the case units assigned to a responsible owner. The responsible owner can access this list.

Reviewed: April 2003

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### **3720 Group Worklist**

Group Worklists are inventory lists that:

- Identify case units to assign to auditors or reviewers.
- List completed cases.

Each Group Worklist has a Responsible Owner. There are Group Worklists for all completed cases and all surveyed cases. Several Group Worklists usually exist for cases awaiting assignment.

Each Program Area determines how best to serve their business needs in establishing, monitoring, and updating their group's worklists.

Each owner should maintain Group Worklists to maintain only the optimal numbers of cases. Users may change the responsible owner of a Group Worklist.

Reviewed: April 2003

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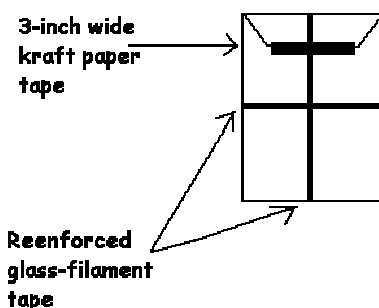
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### 3800 MAILING TAX RETURNS

#### Envelopes

Tape all 9" x 12" or larger envelopes containing material of one-inch thick or more once around the length and once around the width (at the center) using  $\frac{3}{4}$  inch or larger reinforced "glass filament tape." In addition, tape envelopes that are secured only with a metal clasp across the closure using three-inch wide kraft paper.



#### Boxes

When shipping a box, use  $\frac{3}{4}$  inch or larger reinforced "glass filament tape":

- Twice around the length (once at each end)
- Twice around the width (once at each end)
- Across the seam of the lid (top and bottom).

Label all sequences of boxes as part of a series, so the recipient knows how many to look for (e.g., Box 1 of 3). Alert the recipient by email or telephone before sending the boxes. Include a packing list for each box. Recipients should immediately verify that the contents mailed match the packing list, and that they have received all the boxes in the series. They should then contact the sender to confirm that they received all of the boxes and documents intact.

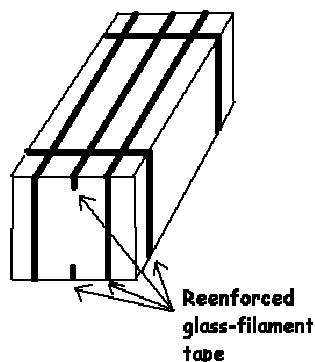
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**NOTE:** Avoid using the “Record Center” type box (archive box with hand-slot openings and removable lid) if possible. They are more difficult to secure against unauthorized access. If you cannot avoid using this type box, seal the lid and the hand-slot openings with  $\frac{3}{4}$  inch or larger reinforced “glass filament tape.” This procedure protects the integrity of confidential documents throughout transit, so that shipments arrive at their destination on time and complete.

If you have any questions about how to ship materials, please contact Service and Supply, at \* \* \* \* \*, or the Mail Operations unit, at \* \* \* \* \*.

**NOTE:** (( \* \* )) = Indicates confidential and/or proprietary information that has been deleted.

Reviewed: April 2003

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